



PRIMARY CARE LOAN PROGRAM

2012 WEBINAR

Department of Health and Human Services
Health Resources and Services Administration
Bureau of Health Professions
Division of Student Loans and Scholarships
Campus Based Branch

Primary Care Loans (PCL)

- Goal is to increase the number of primary care physicians by providing long-term, low interest rate loans to full-time students with financial need* pursuing a degree in allopathic or osteopathic medicine.

*Please see the Student Eligibility Criteria section of this presentation for more information about student eligibility.



Performance Measures

- The PCL program seeks to measure:
 - The number and percentage of allopathic medicine and osteopathic medicine graduates practicing in primary health care.
 - The number of service defaulted borrowers.
 - The total dollar amount of PCLs awarded.
 - The total number and amount of defaulted PCLs.

Institutional Eligibility Requirements

- Located in the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, or the Trust Territories of the Pacific.
- Accredited body recognized by the Secretary of Education.
- Written Agreement with the Secretary of HHS to establish a loan fund.

Institutional Requirements, continued

- A public or nonprofit institution that offers doctoral degrees to full-time students in allopathic medicine and osteopathic medicine.
- Accredited program approved by accrediting bodies such the American Medical Association, Association of American Medical Colleges or American Osteopathic Association.

Institutional Requirements, continued

- Schools are responsible for selecting loan recipients, making reasonable determinations of need, and providing loans that do not exceed the cost of attendance; including tuition and reasonable educational and living expenses.
- School is required to match one-ninth ($1/9$) of any Federal Award.

Institutional Requirements, continued



- Not less than 50 percent of the school's designated graduates meet the criterion of either being in a primary health care residency training program or being engaged in the practice of primary health care; **OR**
- Not less than 25 percent of the school's designated graduates meet the above criterion, and this percentage is not less than 5 percentage points above the percentage of such criterion for the preceding one-year period; **OR**
- The school in the top 25th percentile of participating PCL schools relative to the proportion of designated graduates who meet the above criterion.

Institutional Requirements (cont.)

- Schools that do not meet one of the criteria for participation of graduates in primary health care residencies and practices are subject to penalties.
- For each one-year period that the program does not meet any criteria, the program must return 30 percent of the income received during the same period of non-compliance.



Day-to-day Administration of the Program

- Student selection
- Loan distribution to and Collection from students
- Repayment schedules
- Deferment and Forbearance Review
- Preparation of Disability and Write-off Claims*
- Biennial Audits
- Annual Operating Reports
- Other items identified in the Student Financial Aid Guidelines

*Schools must document each Write-off and Disability case and submit package to HRSA for review.

Acceptable Residency Training

- Allopathic/Osteopathic Medicine approved 3-year residencies:
 - Family Medicine
 - Internal Medicine
 - Pediatrics
 - Combined Medicine/Pediatrics
 - Preventive Medicine
 - General Practice



Acceptable Practice Activities

- Primary Care Clinical Practice
- Clinical Preventive Medicine
- Occupational Medicine
- Public Health
- Senior/Chief Resident in Primary Care
- Faculty, Administrator, Policy Maker in Primary Care
- Geriatrics
- Adolescent Medicine

Acceptable Practice Activities, continued

- Adolescent Pediatrics
- Urgent Care
- Sports Medicine
- Training for Primary Care Faculty
- Training for Public Policy
- Masters in Public Health
- Public Policy Fellowship
- Faculty Development Training
- Primary Care Fellowship
- Hospitalist

Unacceptable Residency/Practice Activities

- Cardiology
- Gastroenterology
- Obstetrics/Gynecology
- Surgery
- Dermatology
- Radiology
- Rehabilitation Medicine
- Physical Medicine
- Emergency Medicine
- Other Subspecialty Training or Certification

Self-Certification of Compliance

- PCL recipients are required to submit a written self-certification of compliance with the service obligation on an annual basis to their school.
- Part-time practice is acceptable but the recipient would be in breach of the service obligation if the remaining time is used to sub-specialize.

Primary Care Loan Amounts

- Loans may be made in amounts that do not exceed the cost of attendance (including tuition, other reasonable educational expenses, and reasonable living expenses).
- In addition, allopathic and osteopathic medical schools have the authority to increase PCL awards to third- and fourth-year medical students beyond the cost of attendance to help these students reduce the level of their indebtedness from loans with less favorable terms.

Changes to Primary Care Loans

- For any new PCLs made on or after March 23, 2010, the PCL borrowers are to enter and complete residency training in primary health care and to practice in primary health care for 10 years (including the years spent in residency training) or through the date on which the loan is repaid in full, whichever occurs first.

Changes to Primary Care Loans (cont.)

- Borrowers who receive a PCL on or after March 23, 2010 and fail to comply with the service requirements of the program will have their loans begin to accrue at an annual rate of 2 percent greater than the rate at which the student would pay if compliant.

Changes to Primary Care Loans, continued

The requirement for independent students to provide parental financial information to determine financial need has only been eliminated for the PCL program.

- The determination of need for such information will be at the discretion of the school's financial aid office.
- An independent student is a student who is at least 24 years of age and has been independent for a minimum of three years.
- Dependent students are still required to submit parental financial information.

Student Eligibility Criteria

- A student applicant must be a citizen or national of the United States, or a lawful permanent resident of the United States, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa or the Trust Territory of the Pacific. A student who remains in this country on a student or visitor's visa is not eligible.

Student Eligibility Criteria, continued

- Student must be enrolled full-time in programs leading to an MD or DO degree in allopathic medicine or osteopathic medicine in order to be eligible for PCL funds.



Student Eligibility Criteria (cont.)

- The student must be in good academic standing, as defined by the school, and capable in the opinion of the school of maintaining good standing in the course of study.
- The student must be in need of financial assistance to pursue a full-time course of study at a health professions school.

Student Eligibility Criteria (cont.)

- Schools may not provide PCL funds to students who are not in compliance with requirements to register for the draft if required to do so under Section 453 of the amended Military Selective Service Act.
- The Department requires that PCL recipients fulfill their primary care service obligation in the United States or one of its territories. Service outside the U.S. is only permitted in military service while assigned outside the U.S.

Service Obligation Penalties

- Entering into subspecialty training.
- Failing to complete residency within 4 years of graduation.
- Failing to practice primary care in accordance to the promissory note.
- Failing to self-certify residency and practice in primary care.

Primary Care Loan Program Data for Academic Year 2009-2010

- PCL
 - Number of students receiving new loans: 417
 - Amount borrowed: \$23 million
- Grant awards for 2011-2012
 - Over \$8 million





Contact Information

Jim Essel, MPP, MBA

Public Health Analyst

Campus Based Branch

Division of Student Loans and Scholarships

Bureau of Health Professions

Health Resources and Services Administration

U.S. Department of Health and Human Services

301-443-5799

JEssel@hrsa.gov



Contact Information

Health Resources and Services Administration

Bureau of Health Professions

Division of Student Loans and Scholarships

Campus Based Branch

5600 Fishers Lane, Room 9-105

Rockville, MD 20857

Phone: 301-443-4776

Fax: 301-443-0846

dpolicy@hrsa.gov or 1-888-ASK-HRSA

Website: <http://bhpr.hrsa.gov/scholarshipsloans/index.html>



Questions?